

LABOR

0559 Secretary for Labor and Workforce Development Agency

The Labor and Workforce Development Agency brings together the departments, boards and commissions that train, protect and provide benefits to employees and employers of California, such as unemployment insurance and workers' compensation. The roles and responsibilities of the agency are codified in Chapter 859, Statutes of 2002 (SB 1236). The Labor and Workforce Development Agency includes the Department of Industrial Relations, the Employment Development Department, the Agricultural Labor Relations Board and the Workforce Investment Board. The Agency provides policy and enforcement coordination of California's labor and employment programs and policy and budget direction for the departments and boards.

The Governor proposes \$2.07 million (reimbursements) and 13.2 positions for the Office of the Secretary.

7100 Employment Development Department

The Employment Development Department (EDD) serves the people of California by matching job seekers and employers. The EDD pays benefits to eligible workers who become unemployed or disabled, collects payroll taxes, and assists disadvantaged and welfare-to-work job seekers by providing employment and training programs under the federal Welfare-to-Work Act of 1997 and Workforce Investment Act of 1998. In addition, the EDD collects and provides comprehensive economic, occupational, and socio-demographic labor market information concerning California's workforce.

The Governor proposes \$12.62 billion (\$18.8 million General Fund), a decrease of \$836.7 million (6.2 percent) from the current-year budget.

Fund Source				
(dollars in thousands)	2003-04	2004-05	\$ Change	% Change
General Fund	\$18,798	\$18,787	-\$11	-0.1
EDD Benefit Audit Fund	0	12,642	12,642	0.0
EDD Contingent Fund	17,898	54,914	37,016	206.8
Employment Training Fund	22,915	18,352	-4,563	-19.9
Welfare-to-Work Fund	355	0	-355	-100.0
Unemployment Compensation Disability Fund	3,871,667	4,291,086	419,419	10.8
Consolidated Work Program Fund	518,035	493,655	-24,380	-4.7
Unemployment Administration Fund	570,290	585,484	15,194	2.7
Unemployment Fund	8,253,381	6,955,953	-1,297,428	-15.7
School Employees Fund	155,106	120,757	-34,349	-22.1
Reimbursements	25,928	66,045	40,117	154.7
Total	\$13,454,373	\$12,617,675	-\$836,698	-6.2

Highlights

The Tax Collection and Benefit Payments Program

The Tax Collection and Benefit Payments Program provides monetary relief to individuals who undergo periods of unemployment or temporary disability or who need to care for a family member. This program consists of two components: the Unemployment Insurance (UI) program and the Disability Insurance (DI) program. The UI program is funded by employers through the collection of tax contributions while the DI program is funded by employee tax contributions. Activities associated with the UI and DI programs include: collecting taxes, determining eligibility for benefit claims, managing caseloads, processing payments to claimants, recovering overpayments, and adjudicating disputes involving claims or tax liabilities. The collection process includes the collection of UI and DI taxes as well as the Personal Income Tax (PIT) and the Employment Training Tax (ETT) from all subject employers. California is one of the few states in which the collection of personal income tax withholdings has been consolidated with collection of the unemployment insurance tax.

The Governor proposes the following mid-year and budget-year adjustments:

- \$1.1 billion augmentation from the Unemployment Insurance Trust Fund for increased Unemployment Insurance workload and benefit payments.
- \$815.3 million increase from the Unemployment Compensation Disability Fund and 63.1 personnel years for Disability Insurance caseload and workload adjustments.
- \$81.5 million increase from the School Employees Fund for Unemployment Insurance benefits.

Welfare-to-Work Grant Program

The EDD is the state agency responsible for receipt of the federal Welfare-to-Work (WTW) funds granted to California since federal fiscal year 1997. The funds provide transitional assistance for recipients of the CalWORKs program, which is the state's Temporary Assistance to Needy Families (TANF) program. The WTW program is administered pursuant to policy direction provided by the federal Department of Labor in concert with the Department of Social Services which administers the California Work Opportunity and Responsibility to Kids (CalWORKs) program. The program includes job creation through wage subsidies, on-the-job training, job placement, and post-employment services to transition hard-to-employ public assistance recipients into full-time, permanent, unsubsidized employment. The EDD allocated 85 percent of the federal grant funds on a formula basis to Local Workforce Investment Boards in California to provide employment, job training, and support services to the hardest-to-serve individuals. The EDD also distributes the Governor's WTW 15 percent discretionary funds to local entities.

7350 Department of Industrial Relations

The objective of the Department of Industrial Relations is to protect the workforce in California, improve working conditions, and advance opportunities for profitable employment. The department is continually working toward this objective by enforcing workers' compensation insurance laws and adjudicating workers' compensation insurance claims, working to prevent industrial injuries and deaths, promulgating and enforcing laws relating to wages, hours, and conditions of employment, promoting apprenticeship and other on-the-job training, assisting in negotiations with parties in dispute when a work stoppage is threatened, and by analyzing and disseminating statistics which measure the condition of labor in the state.

The Governor proposes \$281.9 million (\$62.2 million General Fund), an increase of \$2.3 million from the current-year budget.

Fund Source (dollars in thousands)	2003-04	2004-05	\$ Change	% Change
General Fund	\$89,360	\$62,155	-\$27,205	-30.4
Subsequent Injuries Benefit Trust Fund	7,570	7,570	0	0.0
Farmworker Remedial Account	102	102	0	0.0
Industrial Medicine Fund	2,058	0	-2,058	-100.0
Cal-OSHA Targeted Inspection Consult. Fund	12,711	13,081	370	2.9
Workers' Compensation Managed Care Fund	544	551	7	1.3
Industrial Relations Const. Industry Enforce. Fd.	54	55	1	1.9
Workplace Health and Safety Revolving Fund	0	0	0	0.0
Workers' Compensation Admin. Revolv. Fund	77,284	107,239	29,955	38.8
Loss Control Certification Fund	0	0	0	0.0
Asbestos Consultant Certification	316	318	2	0.6
Account-Asbestos Training and Consultant Certification Fund				
Asbestos Training Approval Account- Asbestos Training & Consult. Cert. Fund	221	231	10	4.5
Self-Insurance Plans Fund	2,805	2,857	52	1.9
Elevator Safety Account	12,040	12,116	76	0.6
Pressure Vessel Account	3,743	3,739	-4	-0.1
Garment Manufacturers Special Account	200	200	0	0.0
Employment Training Fund	2,930	2,957	27	0.9
Uninsured Employers Benefits Trust Fund	25,380	25,380	0	0.0
Federal Trust Fund	28,575	29,465	890	3.1
Industrial Relations Unpaid Wage Fund	1,540	1,550	10	0.6
Reimbursements	3,632	3,632	0	0.0
Electrician Certification Fund	1,918	1,913	-5	-0.3
Permanent Amusement Ride Safety Inspection Fund	1,774	1,762	-12	-0.7
Garment Industry Regulations Fund	2,254	2,251	-3	-0.1
Apprenticeship Training Contribution Fund	1,516	1,496	-20	-1.3
Workers' Occupational Safety & Health Ed Fd.	1,079	1,079	0	0.0
Car Wash Worker Restitution Fund	0	80	80	0.0
Car Wash Worker Fund	0	160	160	0.0
Total	\$279,606	\$281,939	\$2,333	0.8

